

NSC BRIEFING

3 December 1953

NORTH KOREAN INTEGRATION
INTO THE BLOC

I. Moscow and Peiping integrating North Korea

into the Orbit, indicating no unification
of Korea; also practical demonstration
of Communists' achievement.

II. On 8 August USSR offered North Korea

a \$250,000,000 grant "for the restoration
of Korea's national economy.

(a) This aid largely goes to Yalu Power Plant

(b) Songjin steel works

(c) The Nampo coal mine

(d) The Hungnam chemical works

(e) *Montana Shipyards Co.*

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SECURITY INFORMATION

D. In view of the virtual destruction of
North Korean heavy industry, there is
no justification for rebuilding it in
the prewar pattern except to make
certain it continues to feed into some
Communist industrial complex in
Manchuria or the Soviet Far East.

III. North Korea has also signed technical and
^(Oct + Nov)
economic agreements with several of the
Eastern European satellites. (2)

A. Bulgaria, Rumania, Czechoslovakia, and
Poland have concluded such agreements
with Pyongyang during October and
November.

IV. Communist China has furthered the integra-
tion of North Korea into the Orbit.

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North Korea

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a

- A. On 23 November, the Sino-Soviet economic and cultural pact was signed at Peiping providing \$350,000,000 in aid through 1957 and writing off the entire North Korean war debt.
- B. Under the pact, China will send coal, clothes, cotton, food, construction materials, fishing vessels, transportation equipment, metal products, farm implements, paper, and stationery to North Korea.
- C. China also promised to help repair the North Korean rail net, which Peiping controls and operates through a joint CCF-NKA railroad bureau, and to supply Pyongyang with railroad rolling stock.

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V. The Chinese have apparently sent ^{five} ~~large~~
~~numbers~~ construction workers into
North Korea since the truce to ~~eliminate~~
~~meet~~ ~~the latter's critical~~ manpower shortage.

A. As many as 40,000 Chinese railway
workers have been reported in North
Korea in recent months.

B. About 1 August, 54,000 construction
workers arrived from Manchuria and the
Pyongyang press said this number would
eventually reach 100,000.

C. In addition to restoring such vital
~~installations as railroads and air-~~
~~fields~~, This influx of Chinese will
enable North Korea to carry out any
army buildup, which is apparently
under way.

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